

Amtrak®

June 3, 1997

RECORDATION NO. 20702 FILED

JUN 3 '97 3-47 PM

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RECEIVED
SURFACE TRANSPORTATION
BOARD

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W. - Suite 700
Washington, D.C. 20423-0001

Re: Recording Pursuant to 49 U.S.C. §11303

Dear Secretary Williams:

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

This document is a security agreement, a primary document, dated as of June 3, 1997.

The names and addresses of the parties to the document are as follows:

Debtor: National Railroad Passenger Corporation
60 Massachusetts Avenue, N.E.
Washington, DC 20002

Secured Party: Texas Department of Transportation
DeWitt C. Greer State Highway Building
125 East Eleventh Street
Austin, TX 78701-2483

A description of the equipment covered by the document follows:

Forty-seven (47) rail passenger cars, AAR mechanical designation PA, each marked "Amtrak", with identifying serial numbers as set forth below:

High Level Transition Dormitory Cars (29 cars)

1 - Car #39900	11 - Car #39914	21 - Car #39928
2 - Car #39901	12 - Car #39915	22 - Car #39929
3 - Car #39902	13 - Car #39916	23 - Car #39931
4 - Car #39903	14 - Car #39917	24 - Car #39932
5 - Car #39905	15 - Car #39918	25 - Car #39933
6 - Car #39906	16 - Car #39919	26 - Car #39934
7 - Car #39907	17 - Car #39920	27 - Car #39935
8 - Car #39909	18 - Car #39921	28 - Car #39936
9 - Car #39911	19 - Car #39923	29 - Car #39938
10 - Car #39913	20 - Car #39926	

Mr. Vernon A. Williams
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High Level Coaches (18 cars)

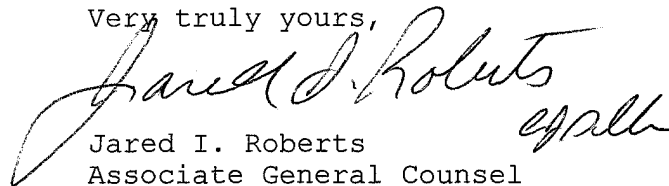
1 - Car #39940	10 - Car #39953
2 - Car #39942	11 - Car #39954
3 - Car #39944	12 - Car #39956
4 - Car #39945	13 - Car #39957
5 - Car #39947	14 - Car #39959
6 - Car #39948	15 - Car #39960
7 - Car #39949	16 - Car #39961
8 - Car #39950	17 - Car #39962
9 - Car #39952	18 - Car #39963

A fee of \$22.00 is enclosed. Please return the original and any extra copies not needed by the Board for recordation to the Texas Department of Transportation at the address given above.

A short summary of the document to appear in the index follows:

Security Agreement between National Railroad Passenger Corporation, 60 Massachusetts Avenue, N.E., Washington, DC 20002 and Texas Department of Transportation, DeWitt C. Greer State Highway Building, 125 East 11th Street, Austin, TX 78701-2483 dated as of June 3, 1997, and covering forty-seven (47) rail passenger cars.

Very truly yours,


Jared I. Roberts
Associate General Counsel

JIR/alm
Enclosures

cc: Thomas A. Griebel, TxDOT (w/out encls.)

SECURITY AGREEMENT FOR ROLLING STOCK JUN 3 '97

3-47 PM

As of this 3rd day of June, 1997, NATIONAL RAILROAD PASSENGER CORPORATION ("Amtrak"), 60 Massachusetts Avenue, N.E., Washington, D.C. 20002, (hereinafter called "debtor") for valuable consideration, grants to the TEXAS DEPARTMENT OF TRANSPORTATION, DeWitt C. Greer State Highway Building, 125 East 11th Street, Austin, Texas 78701-2483 (hereinafter called "secured party") a security interest in the rolling stock (hereinafter called the "collateral"): listed in Exhibit "A" attached hereto and made a part hereof to secure the payment of \$5.6 million plus interest, as provided in the note of debtor and a Loan Agreement of the Parties, both of even date herewith (hereinafter called the "obligation").

A. Debtor warrants and covenants that:

1. Except for the security interest of the United States, which has been subordinated, and the security interest herein granted, debtor is the owner of the collateral free from lien, security interest or encumbrance. Debtor will defend the collateral against all claims and demands of all persons at any time claiming it or any interest in it superior to that of secured party.

2. The collateral was used primarily for business purposes of debtor.

3. The collateral will be kept and/or used in the operating territory in which debtor may lawfully conduct rail passenger service pursuant to 49 U.S.C. § 24101 et seq. Debtor will not remove the collateral from such operating territory without the written consent of secured party.

4. Debtor will not permit the collateral to be attached to real estate in such manner as to cause it to become a fixture.

5. Within one (1) business day of loan execution, debtor will file this security agreement with the Surface Transportation Board pursuant to 49 U.S.C. § 11301, and will immediately provide to the secured party evidence of such filing and a certification of compliance with 49 U.S.C. § 11301 and 49 C.F.R. Part 1177. The Surface Transportation Board shall be requested to return the original and any extra copies to the secured party after processing and recordation.

6. Debtor will not sell or offer to sell or otherwise transfer the collateral or any interest in it without the written consent of secured party.

7. Debtor will procure and maintain its normal property insurance with respect to the collateral, naming secured party as an additional insured. Any insurance shall be payable to secured party and debtor as their interests may appear. In the event that any of the collateral is substantially damaged or destroyed, debtor shall substitute alternate assets (of equal or greater value, less any insurance received by secured party as a result of such damage or destruction) for such damaged or destroyed collateral, which assets shall thereupon become part of the collateral. Debtor and secured party shall execute such documents as are necessary to accomplish the above.

8. Debtor will keep the collateral free from any adverse lien, security interest or encumbrance (except that of the United States) and will not waste or destroy the collateral or any part of it. Debtor will not use the collateral in violation of any applicable statute or ordinance. Secured party may examine and inspect the collateral at any reasonable time.

9. Debtor will pay promptly when due all valid and applicable taxes and assessments upon the collateral or for its use or operation or upon this agreement or upon any note or notes evidencing the obligation.

10. At its option, secured party may discharge valid and applicable taxes, liens, security interests or other encumbrances at any time levied or placed on the collateral. Debtor agrees to reimburse secured party on demand for payment made or expense incurred by secured party pursuant to the foregoing authorization.

11. Until default, debtor may have possession of the collateral and use it in any lawful manner not inconsistent with this Agreement or with any policy of insurance on it.

12. Debtor is in default under this Agreement upon the happening of any of the following events or conditions; provided, however, that secured party has given debtor at least thirty (30) days prior written notice with an opportunity to cure:

(a) debtor shall permanently cease operation of the Texas Eagle before October 1, 1997;

(b) all or substantially all the equity interests in debtor are acquired by one or more parties outside of the Federal Government under circumstances involving the cessation of Federal Government support for debtor; or

(c) any proceedings shall be commenced by or against debtor for any relief under any bankruptcy or insolvency law, or law relating to the relief of debtors, readjustments of indebtedness, reorganization, arrangements, compositions or extensions, and such proceedings shall not have been dismissed, nullified, stayed or otherwise rendered ineffective.

13. Upon default and at any time thereafter, secured party may declare the obligation secured by this Agreement immediately due and payable and shall have the remedies contemplated under 49 U.S.C. § 11301. Secured party may require debtor to immediately assemble the collateral and make it available to secured party at debtor's Beech Grove, Indiana yard or such other location as may be mutually agreed upon.

14. No waiver by secured party of any default operates as a waiver of any other default or of the same default on a future occasion.

15. All rights of secured party inure to the benefit of its successors and assigns. All obligations of debtor bind its successors or assigns.

B. Upon payment in full of the obligation, secured party will execute such document(s) as debtor may reasonably request to evidence such payment and the release of the security interest herein granted, any or all of which document(s) debtor may then file with the Surface Transportation Board.

This Agreement becomes effective when it is signed by debtor.

TEXAS DEPARTMENT OF
TRANSPORTATION

NATIONAL RAILROAD PASSENGER
CORPORATION

By: 

Title: Assistant Executive

Director for Multinodal
Transportation

By: 

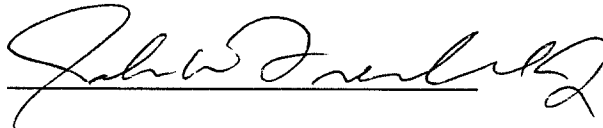
Title: Chief Financial Officer

ACKNOWLEDGMENT

District of Columbia: ss

On this 3rd day of June, 1997 before me personally appeared Alfred S. Altchul, to me personally known, who being by me duly sworn, says that he is the Chief Financial Officer of the National Railroad Passenger Corporation, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

(SEAL)

A handwritten signature in cursive script, appearing to read "Alfred S. Altchul", is written over a horizontal line.

My commission expires 1-1-2000

Exhibit "A"

Amtrak Cars as Security for TxDOT Loan

High Level Transition Dormitory Cars (29 cars)

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